[13] ECONOMIC ASSESSMENT

QUEENSTOWN CABLE CAR

To: Southern Infrastructure Queenstown Cable Car Project Team

From: Anthony Byett, Economist and Director, ECPC Limited

Date: 28 October 2025

Title: Economic assessment to support Queenstown Cable Car Referral Application under the Fast-track Approvals Act 2024

INTRODUCTION AND SCOPE

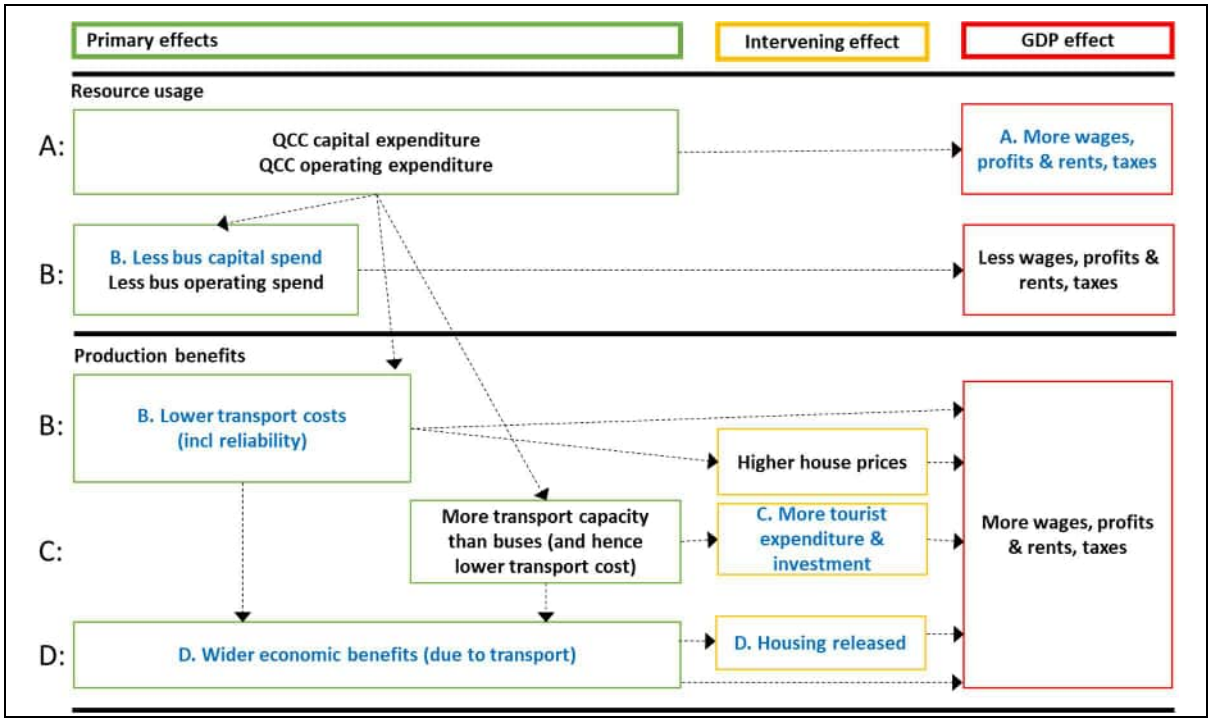
1. I have been engaged to provide an economic assessment of the benefits of the Queenstown Cable Car (QCC) project, on behalf of Southern Infrastructure (Cable Car) Limited.
2. To assess the benefits of the Queenstown Cable Car project, I have addressed several matters that can be considered by the Minister under section 22(2) of the Fast-track Approvals Act 2024. My report addresses how the QCC project:
   a. will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure (s 22(2)(a)(ii));
   b. will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020) (s 22(2)(a)(iii));
   c. will deliver significant economic benefits (s 22(2)(a)(iv)).
3. The significance of the QCC is attested by the four ways that it would influence the local economy. Each effect (A-D below) is measured by different means – and in this application addressed across three reports (by Property Economics, Arc Infrastructure Advisory and this report). Each effect will manifest in multiple ways in the economy (see Figure 1) and will be estimated where most easily or appropriately measured (shown in blue in figure). Effects B+C+D are the benefits that would typically apply in a transport cost benefit appraisal (CBA) and are referred to in this report as 'incremental benefits' – these are the extra benefits to the public arising from the QCC. Effects A+B+C+D are a closer approximation to the 'GDP contribution' of the QCC – the GDP contribution will exceed the incremental benefits as resources applied to the construction and operation of the QCC would have otherwise been applied to competing activities and hence are unlikely to be an extra benefit to the public.
   A. The construction and operation of the QCC will use resources such as labour and equipment and in turn will provide jobs and income to the region and taxes to central government. This benefit is assessed elsewhere by Property Economics. Suffice to say here, a capital cost of around $400 billion is large compared to Queenstown-Lakes annual construction GDP of $491 million[1] and total GDP $4643m (see Table 3).
   B. The QCC will provide transport benefits such as extra time and money, which will then show in local house prices and as higher wages and profits. These transport benefits are easiest measured within traffic models and will be summarised elsewhere by Arc Infrastructure Advisory. The QCC will also create options to defer bus investment and offers more options to, in time, expand the public transport network – these 'real option' benefits will be discussed in this report. The addition to current transport infrastructure is large, roughly doubling the existing per-person trip capacity between the Frankton airport and the Queenstown town centre.

[1] 2023/24 construction in the Otago region was $1670m – see https://rep.infometrics.co.nz/otago-region/economy/structure?compare=new-zealand

C. A third benefit arises due to the exceptional nature of Queenstown as an international tourism destination. Without intervention, the town centre-Frankton corridor will become a constraint on tourism growth. This is a transport effect but is not easily measured within traffic models. The extra international tourism expenditure that arises from this 'unmet demand' is considered within this report.

D. Large urban transport projects also can change urban form, providing benefits that are not captured in the above transport modelling, referred to in transport appraisal as wider economic benefits. These are listed in Table 1 below. These include a land price effect arising from the QCC releasing new housing developments – this will be assessed elsewhere by Property Economics during the substantive phase. The other wider economic benefits are considered within this report.

Figure 1: QCC economic effect mechanisms



4. The estimation of B, C and D requires a counterfactual to identify the incremental effect of the QCC. Major uncertainties and key parts of the transport counterfactual are future public transport plan investments for Queenstown. At this stage, we have assumed that current public transport plans in the Queenstown Business Case are delayed until 2039, but this will be explored more closely in the substantive report.

5. Where possible in this report, areas will be referred to by their specific titles but reports cited may have used the term "Queenstown" more loosely. I believe it is reasonable to default to the inference that use the terms "Queenstown" or "Queenstown Lakes District" elsewhere to at least include the Queenstown town centre and travel between the town centre and Frankton (which includes Queenstown Airport). Exceptions to this default assumption will be noted. The convention will be to refer to the Queenstown town centre as "the town centre", the combined Queenstown-Whakatipu and Arrowtown-Kawarau wards as Whakatipu (ie, the area around the town centre which excludes Wanaka) and the Queenstown Lakes District as Queenstown Lakes (includes Wanaka).

THE QCC PROJECT

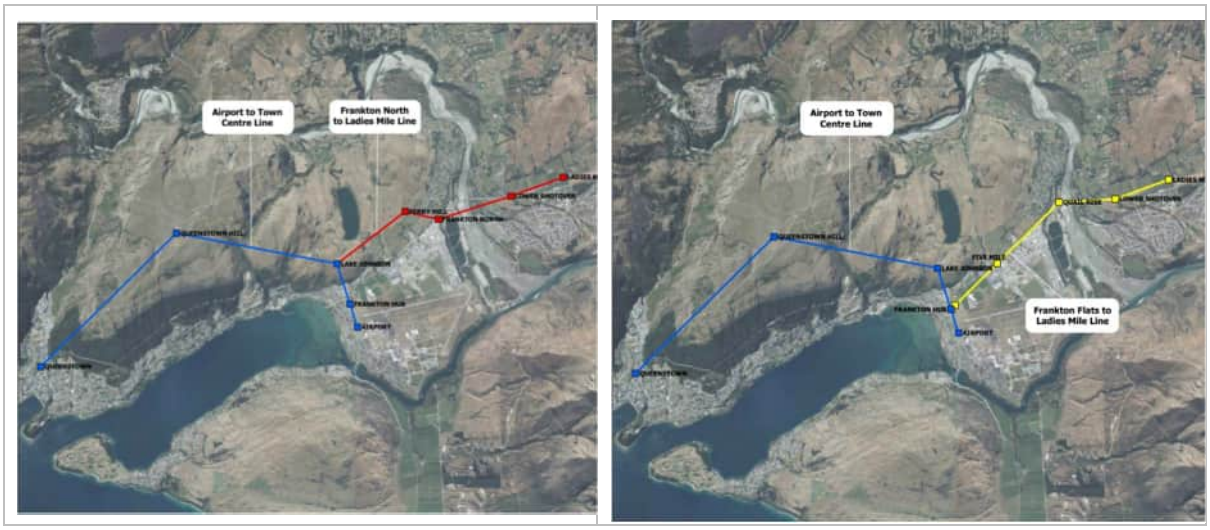
6. The QCC project is an offline public transport connection between Queenstown Airport and the town centre via hubs at Frankton Hub, Lake Johnson and Queenstown Hill – referred to as the **"Airport to Town Centre line"**. This line provides the majority of the benefits considered in this report.

7. The proposal also includes a service to Ladies Mile. The alternative routes are

- **Route A – Frankton North - Ladies Mile line** with stations at Ferry Hill, Frankton North, Lower Shotover and Ladies Mile; and **Route B - Frankton Flats – Ladies Mile line** with stations at Five Mile, Quail Rise, Lower Shotover and Ladies Mile.

8. Figure 2 shows the general alignment of the Airport to Town Centre Line and the two alternatives for the line to Ladies Mile.

Figure 2: Overview of the QCC routes A (left) and B (right)



9. Key features of the QCC project include:

   a. Passenger cabins that can carry 10 passengers arriving every 12 seconds and capable of transporting up to 3,000 passengers per hour in each direction.

   b. A total of nine stations and two lines.

   c. Electric-powered, low-emission cable car system with automated operations for reliability.

10. Subject to approval, construction is planned for 2027-2028, with operations anticipated to commence in 2029.

SUMMARY OF ECONOMIC EFFECTS

11. I believe that the high usage of the SH6A corridor by visitors and locals provides the core linkage between the transport capacity constraint and the economic prosperity of the district as nearly all visitors to and residents in Whakatipu use the SH6A corridor to access the town centre.

12. Thus, improvements to this transport link have high leverage and multiple effects on the wider economy. QCC also interacts with major transport infrastructure investment required for the next few 30 years and beyond, creating strategic options for the combined transport investment.

13. The multiple benefits are yet to be estimated but the following order of magnitude summary of benefits for just one year is provided as perspective. The QCC is likely to deliver 'incremental benefits' to Queenstown Lakes above $25m in 2035, after allowing for some double counting between benefit

streams and non-GDP effects, and 'GDP contribution' greater than $30m. These crude estimates indicate the annual series of benefits are likely to exceed the QCC capex and operating costs.

Table 1. Order of magnitude indications of QCC benefits in 2035 ($m)

Benefit stream	ESTIMATED BY	<$5m	>$5m
QCC ACTIVITY			
A. Construction and operation effects of QCC	PE		✓
TRANSPORT BENEFITS OF QCC			
B1. Transport cost savings (including reliability)	ARC		✓
B2. Delayed public sector investments (by delaying the need for alternative bus infrastructure)	ECPC		✓
B3. Real options provided by QCC (allows more flexibility about future transport expansion)	ECPC	✓	
EXTRA INTERNATIONAL TOURISM BENEFITS OF QCC			
C1. Higher tourism (by providing for unmet demand)	ECPC		✓
C2. Fewer delays to private sector investment (by removing the risks around product demand growth caused by travel constraints)	ECPC		✓
WIDER ECONOMIC BENEFITS OF QCC			
D1. Higher land values due transport constraint removed from consent requirements.	PE		✓
D2. Agglomeration productivity (by increasing the effective density of employment)	ECPC	✓	
D3. New activity generated by the QCC (QCC leisure trips and activities near stations)	ECPC		✓
D4. Higher amenity (by reducing vehicle movements in and around the town centre)	ECPC	✓	
BENEFITS NOT ESTIMATED			
Fewer GHG emissions (due to fewer ICE vehicle km)			
Key: PE= Property Economics; ARC= Arc Infrastructure Advisory; ECPC= this author Source: own calculations			

CONTEXT – QUEENSTOWN ECONOMY

14. The population of Queenstown Lakes will have doubled twice in the 33 years between 1995 and 2028 (assuming a relatively modest 2% annual growth rate for Queenstown Lakes in the next 3 years).
15. Queenstown Lakes District Council (QLDC) is planning for the population to double (once) in the next 30-35 years
16. The number of people present in the area each day, including visitors, is also growing rapidly. Currently the population in Whakatipu is 35,381 people and the average number of visitors per day is 20,848, giving an average people in Whakatipu per day of 56,000, rising to 83,000 on the peak day. QLDC projects the average and peak number of people per day to reach 96,000 and 143,000 respectively by 2055.

Table 2. QLDC projections for Whakatipu

	2025	2035	2055	Change 2025-35	Change 2035-55	Change 2025-55	%pa 2025-55
Residents	35,381	43,618	59,502	8,237	15,884	24,121	1.7%
Visitors average/day	20,848	26,342	36,593	5,494	10,251	15,745	1.9%
Average population/day	56,230	69,959	96,095	13,729	26,136	39,865	1.8%
Visitors peak day	47,926	60,263	83,525	12,337	23,262	35,599	1.9%
Total houses	16,026	20,264	28,936	4,238	8,672	12,910	2.0%
Source: https://www.qldc.govt.nz/community/population-and-demand/							

17. The implied visitor growth rate in these projections – 1.9% pa – is below the historical growth rate[2] and below the projections for global tourism growth[3], implying it is not a lack of demand but rather a lack of local infrastructure supply that will constrain tourism growth in Queenstown. The above-tabled conservative visitor demand has been assumed in traffic modelling and hence ignores the probability of higher growth (hence the separate estimation of extra international tourism benefits).

18. GDP growth in Queenstown Lakes has averaged 6.2% pa in the last 10 years, above the national average during the same period of 2.9%

19. Tourism is a strong contributor to this growth, and within tourism, international visitors (currently 65% of tourism expenditure) are gradually taking on a higher share than domestic visitors

    a. The direct GDP from visitor spend was $1.4b in 2023/24 and was increasing 8.5% pa before Covid

    b. The direct number of jobs in the tourism sector[4] in Queenstown Lakes was 11,576, which had been increasing 6.9% pa prior to Covid

    c. The tourism sector shares implied by these figures – 30% by GDP, 34% by jobs – significantly understates the effect of tourism on the local economy, with demand for tourism products and services spilling over into tasks such as accounting and construction (to name just two), an effect showing as the strong growth across other industry sectors in Queenstown Lakes

Table 3. Queenstown-Lakes GDP (2024$m) by sector

YE Mar	Tourism	Construction	Other	Total
2014	$1,178	$227	$1,145	$2,550
2019	$1,768	$410	$1,746	$3,924
2024	$1,411	$491	$2,741	$4,643
Change 2014-2024	$233	$264	$1,595	$2,093
% change 2014-2024	20%	116%	139%	82%
Average annual growth rate 2014-2024 (incl Covid)	1.8%	8.0%	9.1%	6.2%
Average annual growth rate 2014-2019 (pre-Covid)	8.5%	12.6%	8.8%	9.0%
Source: https://rep.infometrics.co.nz/queenstown-lakes-district				

[2] Statistics NZ data shows the growth rate of international visitor arrivals to NZ has averaged above 4% pa in each decade of the 30 years to 2018. Queenstown data are incomplete but Queenstown Lakes tourism GDP growth exceeded NZ tourism GDP growth 2000-2018 (https://rep.infometrics.co.nz/queenstown-lakes-district/tourism/gdp)

[3] https://www.afp.com/de/node/3786191#:~:text=Business%20Wire-,Global%20Tourism%20Surging%20Ahead%20of%20Economic%20Growth%2C%20With%20Visits,Hit%2030%20Billion%20by%202034&text=The%20World%20Economic%20Forum%20has,billion%20tourist%20trips%20by%202034.

[4] 'Filled jobs' is paid jobs held by full-time and part-time employees and working proprietors; a person can hold multiple jobs

20. The construction sector is another key component of Queenstown's growth, providing jobs for residents and the infrastructure to service the tourism sector.
    a. Construction sector GDP and jobs comprise 11% of Queenstown Lakes economy, spread across residential and non-residential activities.
    b. The construction sector has also grown rapidly, especially pre-Covid, and has strong indirect effects on the rest of the local economy.

Table 4. Queenstown-Lakes filled jobs by sector

YE Mar	Tourism	Construction	Other	Total
2014	11,016	2,317	7,226	20,559
2019	15,375	3,173	11,620	30,168
2024	11,576	3,754	19,191	34,521
Change 2014-2024	560	1,437	11,965	13,962
% change 2014-2024	5%	62%	166%	68%
Average annual growth rate 2014-2024 (incl Covid)	0.5%	4.9%	10.3%	5.3%
Average annual growth rate 2014-2019 (pre-Covid)	6.9%	6.5%	10.0%	8.0%
Source: https://rep.infometrics.co.nz/queenstown-lakes-district				

A. HIGHER QCC ACTIVITY

21. See Property Economics report for the direct GDP contribution of the QCC project.

B. TRANSPORT EFFECTS

B1. Lower transport costs

22. The Arc Transport Report accompanying this economic assessment discusses the nature of the transport constraint within the town centre-Frankton corridor. A recap of key findings that influence this economic assessment follows:
    a. SH6A is congested and demand for use of the corridor is rising.
    b. Plans exist to invest in more buses, a bus station and alterations to SH6A but these plans are running above budget and behind time. Together with the large uptake of buses required by the plan, there is uncertainty as to whether the plan can relieve a growing congestion challenge.
    c. Furthermore, the current plans will involve disruption during construction and do not create the capacity required to avert ongoing disruptions during periods of road or lane closures for road maintenance, crashes or weather events[5].
    d. Eventually the bus option will require a complementary "offline" option, which is likely to be a cable car, as the narrowness of the road corridor and the smallness and high-amenity value of the town centre will limit the number of buses.

B2. Public sector costs deferred

23. The Arc Transport Report also has cost and economic risk implications for the phasing of decisions around the transport solution for the corridor and the wider Whakatipu area.

[5] I note the risk of bus driver strikes also

a. The QCC can be provided relatively quickly (by 2029) with little disruption to current traffic flows and is planned to provide a large jump in capacity of 1000 pph initially and 3000 pph (in each direction).

b. Meanwhile the QCC provides an option to delay, or possibly cancel, plans to buy more buses, build a town centre bus depot and make ready SH6A. These capital costs are believed to be around $200-500 million. Each year these costs are deferred provides a saving equivalent to the annual cost of funds, likely to be near the 1-year government bond rate of 3% or $6-15m pa.

24. These traffic and transport infrastructure matters have been analysed and discussed in previous reports and some of these results inform figures tentatively provided in the sections below. These are matters for further investigation before the lodgement of the substantive application under the FTAA.

B2. Real options for future transport investment

25. The QCC project also creates further real options for future expansion of the Queenstown public transport network.

26. The option to learn comes from the operation and phasing of a network with a cable car, buses, cars, ferries, bikes and pedestrians. Earlier transport studies indicate that a cable car (or similar) will be required within the next 30 years. Building the QCC now provides the chance to learn how to integrate the three major modes, including gaining knowledge on consumer preferences, refinements to stops and schedules to optimise patronage and patron satisfaction, and the best way to expand the network (which will be costly) to meet the demands of the Eastern and Southern corridors. In the meantime, there will also be adaption required once autonomous vehicles become available.

27. In the longer-term, the QCC leverages off large people movements in the town centre-Frankton corridor to provide the platform for a public transport network over the Whakatipu area, be it more buses and/or more cable cars (including the Airport to Town Centre line can be increased quickly to 4500 pph[6]). This is an option to expand and it has value.

28. The value of these transport options will be estimated in the substantive phase.

C. INTERNATIONAL TOURISM

C1. More international visitor spending

29. Queenstown was recently again named by TripAdvisor as the number one destination in New Zealand[7].

30. Current statistics show international visitor spending in the Queenstown Lakes (QLD in tables below) was estimated as $1.7b in the year ending March 2024, which was 15.9% of international visitor spending in New Zealand. International spending growth in Queenstown Lakes generally exceeds growth elsewhere in New Zealand.

[6] Personal communication
[7] https://www.stuff.co.New Zealand/travel/360544186/number-one-destination-new-zealand-according-tripadvisor

Table 5. International visitor spending ($m)

Year ending Mar	QLD	New Zealand	QLD share
2014	$1,049	$6,922	15%
2019	$1,960	$11,992	16%
2024	$1,698	$10,699	16%
Change 2014-2024	$649	$3,777	17%
% change 2014-2024	62%	55%	
Average annual growth rate 2014-2024 (incl Covid)	4.9%	4.5%	
Average annual growth rate 2014-2019 (pre-Covid)	13.3%	11.6%	
Source: https://rep.infometrics.co.nz/queenstown-lakes-district			

31. Various research around 2018, based on 2016/17 data, showed the strong links that New Zealand international tourism has with Queenstown Lakes.

    a. 36% of international visitors to New Zealand visited Queenstown and over 80% of international visitors to the South Island visited Queenstown.[8]

    b. Spending by those international visitors including Queenstown in their New Zealand visit was $1.5b in Queenstown Lakes and $3.3b in other regions of New Zealand. Even when spending was predominantly in Queenstown Lakes (>50% of trip spend), tourists spent an extra $157-254m in the rest of the South Island.[9]

    c. Nearly all international visitors to Queenstown Lakes visited the town centre and hence nearly all international visitors needed to travel through the town centre-Frankton corridor[10]. This corridor will almost certainly remain the key entry/exit to the town centre, even when more air passengers arrive in the district at Wanaka or from Tarras (after the current Frankton airport reaches capacity).

32. Research shows the importance of international visitors to New Zealand goes beyond their initial spending, with subsequent return visits, migration and/or foreign investment adding at least 20% more value than the initial visitor spending.[11] I expect this post-visit benefit to apply to visitors to Queenstown. For example, the 2018 Martin Jenkins report referred to 24 investor migrants living in Queenstown Lakes at the time.

33. At present it is believed that travel congestion on SH6A is reducing visitor spending, relative to that otherwise achievable[12]. This suppression of visitor spending is likely to increase with further congestion and soon that congestion on the busiest days is likely to also suppress visitors to the district (and hence all their spending). Effectively, visitor demand will go unmet due to SH6A traffic issues, and the unmet demand becomes tourism GDP foregone, locally and potentially even nationally. Note, importantly, this is not less tourism GDP than at present but rather less tourism GDP than can be reasonably expected.

[8] Derived from survey responses where Queenstown was not defined. See Byett, A., Welvaert, M., Stroombergen, A., & Patterson, B. (2018). Understanding current and forecast visitor flows to the South Island (650; Research Report). Waka Kotahi New Zealand Transport Agency.
[9] MartinJenkins (2018) Sustaining tourism growth in Queenstown. Report to Queenstown Lakes District Council.
[10] Stantec (2018) Economic Network Plan for Queenstown. Modelling update to Queenstown Lakes District Council
[11] One Picture. (2024). Rethinking the value of tourism. https://www.tourismticker.com/wp-content/uploads/2023/08/Lifetime-value-of-the-visitor-research-summary.pdf
[12] Anecdotal evidence gathered for NZTA 2018 Dual Queenstown Business Case

34. The extra international tourism to expect by increasing travel capacity in the Queenstown-Frankton corridor, and hence reducing unmet demand, is yet to be estimated. However, it will be significant. Modelling for the 2018 NZTA dual business cases estimated that the corridor would not be able to meet the unconstrained travel demand on 338 days of the year by 2048. If the unconstrained demand could be met, by removing the Queenstown-Frankton travel capacity constraint, then the extra international tourism GDP in Queenstown over 40 years would be around $1.1 billion in 2018 present value terms. The QCC project is unlikely to enable this level of demand to be fully met but will enable a large but yet to be estimated proportion.

35. Not part of the current proposal but an option created by the QCC will be to expand the town centre-Frankton cable car capacity beyond 3000 pph should demand exist, which would significantly increase the proportion of unmet demand catered for by the QCC beyond the next 10-20 years.

C2. Private sector investment inducement

36. Private sector investment into hospitality and tourism activity venues will be required to sustain the higher international tourism future provided the QCC, including investment around the stations (see also D3). This is yet to be estimated but will be substantial.

D. WIDER ECONOMIC EFFECTS

D1. Housing developments

37. The increase in accessibility that would result from the transport improvements provided by the QCC will influence housing within Whakatipu.

38. As background, the demand for Queenstown-Lakes District housing is evidenced by the relatively high price, currently around 12.5 times the average annual local income.[13] There are plans to supply more housing, shown (a) within the QLDC 2021 Spatial Plan[14], (b) in the QLDC 2025 update to population and housing projections and (c) by intentions shown by developers. However, the actual number of houses to be built is unknown and these three sources imply different outcomes – but all point to large supply increases. A working assumption of new houses to be developed is shown in the table below.

39. The major incremental direct effect on housing would be if QCC were to release the transport constraint on planned housing developments in the Eastern corridor. A Property Economics report will provide an estimate of this land price effect in the substantive phase but for now it is simply noted that the effect will be large.

40. Not estimated here but provided as further background, there will potentially be QCC effects on planned property developments around the Southern corridor. New supply of around 3100 houses, or more than 34% of the 30-year projected new housing projection, is subject to transport constraints. The transport constraint could potentially be removed with a substantially enhanced bus system but this investment is uncertain and could be slow to eventuate. The QCC provides a quicker and more assured path to provide the prerequisite transport capacity.

[13] https://www.interest.co.New Zealand/property/house-price-income-multiples
[14] To be updated soon https://letstalk.qldc.govt.New Zealand/spatial-plan-2024-gen-2

*Table 6. QLDC new house projections for Whakatipu by priority areas**

	2025-35 (projection)	2035-55 (projection)	2021-50 (spatial plan)**	2050 spare capacity (spatial plan)	Transport-influenced. (within probable catchment for QCC)	Transport-constrained. (within wider catchment with transport consent conditions)
1. Queenstown			**1,400**	**2,500**	**2,108**	
Frankton Arm	227	307				
Queenstown Central	191	612				
Queenstown East	85	214				
Queenstown Hill	264	208				
2. Frankton			**3,000**	**5,000**	**3,367**	
Frankton	579	1,419				
Quail Rise	294	1,075				
3. Eastern			**1,800**	**2,600**		**902**
Ladies Mile	318	902				
4. Southern			**3,100**	**5,900**		**2,266**
Jacks Point	789	2,266				
Total ward	**4,238**	**8,672**	**9,300**	**16,000**	**5,475**	**3,168**
Seeking fast-track approval**			**6,147**		**1,050**	**4,081**
Source: QLDC 2025 projections (link earlier table), QLDC 2021 Spatial Plan (p68, numbers read from graph so not accurate), Cable Car influence own estimates						
* Not all housing will be occupied by residents (average at 2018 Census was 73% occupied)						
** See developments seeking Fast-track approval: https://lwb.co.New Zealand/content/on-the-fast-track/						

41. There is also a broader connection between extra housing and the QCC that comes through accessibility. Research elsewhere shows a close relationship between accessibility to activities, which is related to the cost of travel, and house prices or rents. The widely accepted Alonso–Muth–Mills (AMM) urban model[15] implies the "transport-influenced" house price effect will be equivalent to the transport cost savings. That is, the improved accessibility will likely show as higher houses prices equivalent to the transport cost savings as people trade off housing and transport. This is not necessarily[16] an additional benefit of the QCC but is another manifestation of its effect on the local economy.

42. However, it is of interest to show the gross effect. The accessibility effect on house prices has not yet been estimated by the project team. It is also yet to be investigated how the number of new transport-influenced houses might change following recent changes to QLDC intensification policy. The new

[15] See discussion of AMM model at p23 PWC (2020) Cost - benefit analysis for a National Policy Statement on Urban Development. Final report for the Ministry for the Environment.
[16] It is possible that higher house prices induce more spending but this effect is uncertain and several steps removed from the QCC

houses projected by QLDC for 2021-50 that are near the town centre-Frankton corridor total 5475, which is 59% of 30-year new housing projection. These new houses are expected to generate new users of the corridor, and in turn their housing purchase decision will be influenced by transport options through the corridor.

43. An indicative overview of the wide range of GDP and employment linked to these new houses is provided in Section D5 below.

D2. Agglomeration

44. The agglomeration effects of improved accessibility are also well-researched[17]. Productivity per worker will increase as more people travel between the town centre and Frankton if congestion and traffic disruptions are held to a reasonable level.

45. The improved productivity effect is typically attributed to knowledge sharing, better job-worker matching and potentially internal economies of scale. The NZTA has a prescribed methodology to estimate this productivity improvement to expect from reduced travel costs (previous reference). Should lower average travel costs be confirmed with further traffic modelling, as expected, then productivity gains of the order of $1-2m pa would be attributable to the QCC project.

D3. Investment connected to QCC

46. The QCC will also lead to private sector investment around the stations, including planned investments around the Lake Johnson station and unplanned but likely investments around the Queenstown station. Early indications are that construction of 2000 sqm of adjacent commercial property would contribute around $10m construction GDP.

Table 7. Indicative investment to be developed around each QCC station

Station	Unit cost	Totals
Airport sqm		0
Frankton sqm		0
Lake Johnson sqm		1000
Queenstown Hill sqm		0
Queenstown Town Centre sqm		1000
Total sqm		2000
Construction GDP ($m)	$0.005/sqm	$10
Ongoing GDP per annum ($m)	$0.122	$10
Ongoing employment per annum (FTE)	0.04/sqm	80
Source: own calculations		

47. The ongoing activity at these adjacent properties would likely employ 80 people and generate GDP of around $10m pa. These numbers are again orders of magnitude as there are multiple steps required before adjacent property development can be accurately forecast. The other near-term uncertainty is whether any activity near the QCC will be an incremental gain to Queenstown in the early years. These adjacent investments would provide competition with other local hospitality and entertainment providers but the initial publicity and novelty of the QCC may also provide an initial boost to visitor numbers. Whatever the short-term effect, the longer-term effect is to provide part of the needed entertainment capacity to match the large increase in tourist numbers projected in the next 10-30 years.

[17] See p97 of NZTA (2025) Monetised Benefits and Costs Manual (MBCM)

D4. Town centre amenity

48. Previous traffic modelling has not analysed the likely reduction in traffic (including buses) in the town centre due to the QCC but there will be an amenity benefit due to less traffic noise, pollution, interference, parking and safety concerns. Note, the National Policy Statement on Urban Development (NPS-UD) requires any intensification to come with reduced car parking. The QCC is consistent with this direction.

49. The QCC also provides more mode options to travellers between the town centre, Frankton and Ladies Mile and wider activity options to visitors. More variety has been shown to be preferred by consumers. The choices made will lead to the higher economic benefits discussed elsewhere within this report but simply having more variety is expected to increase wellbeing on top of any other material gains.

D5. Housing effects subject to delay risks that QCC would reduce

50. As further context to the significance of new housing to Queenstown and the link with the QCC, the gross effect of building the 5475 new houses (Table 5) influenced by the QCC up to 2035 equates to an estimated 1478 FTE jobs per annum in Queenstown over 30 years and $123m pa GDP. Most of this activity will occur without the QCC but will likely be delayed if SH6A were to be regularly congested.

51. The 3168 new houses that are transport-constrained (Table 6) equates to an estimated 855 FTE jobs per annum in Queenstown over 30 years and $71m pa GDP. The current transport plans for SH6A may release the supply of these houses but the implementation and success of the current plan is yet to be seen. The QCC would quickly and more assuredly provide the required transport capacity.

Table 8. Indicative construction impact of new housing with economic linkages to the QCC (2024$m)

			Transport influenced	**Transport constrained**
New houses developed and constructed		Unit rates	5,475	3,168
Development + construction cost per house (2024$m)		$1.5	$8,213	$4,752
New Zealand GDP - direct ($m)	ratio=	0.3	$2,464	$1,426
New Zealand GDP - indirect ($m)	multiplier=	2.00	$4,928	$2,851
New Zealand Total GDP ($m)			$7,391	$4,277
New Zealand Total GDP pa ($m)	No. of years=	30	$246	$143
New Zealand Employment pa (FTE)	Direct + Indirect multiplier=	12	2957	1711
Queenstown share	ratio=	50%		
QLD GDP pa ($m)			$123	$71
QLD employment pa			1478	855
Sources: own calculations				

52. Looking beyond the construction stage of these houses, the residents of the combined new houses would by 2055 be providing the labour for an estimated 6138 FTE jobs per annum and these jobs would be within businesses contributing $826m annual GDP. As above, the QCC is not the cause of this level of economic activity but the failure to provide capacity in the town centre-Frankton corridor

puts this level of activity at risk. It is also the residents of these houses who provide the labour capacity to expand international tourism.

Table 9. Ongoing economic impact of new housing with economic linkages to the QCC

		Unit rates	Transport influenced	Transport constrained
New houses developed and constructed			**5,475**	3,168
When all completed:				
Residents	ratio=	1.9	**10,231**	5,920
Employment (FTE)	ratio=	0.60	**6,138**	3,552
QLD GDP pa (2024$m)	ratio=	$0.134	**$826**	$478
Sources: own calculations				

E. CONCLUSION

53. In the context of section 22 of the FTAA, I have concluded that the QCC:

a. will deliver new regionally or nationally significant infrastructure (s 22(2)(a)(ii));

b. will indirectly assist with the increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020) (s 22(2)(a)(iii)); and

c. will deliver significant economic benefits (s 22(2)(a)(iv)).